

One of the most overlooked facts in the health reform debate is that small businesses and their employees will be among those who have the most to gain with reform - and the most to lose under our current system. The reality is that the current health care system is unsustainable for American small businesses. Let's look at the facts.

Since 2000, insurance costs for small businesses have risen 129 percent. As a result, less than half of America's smallest firms - 45 percent - can afford to offer health care benefits for their employees. In fact, 60 percent of America's uninsured - or 28 million - are small business owners, workers, and their families.

Because of their size, small businesses face a significant disadvantage in today's insurance marketplace. As a result, small firm workers pay more - an average of 18 more - for the same benefits as their larger firm counterparts, and their deductibles are more than double. And small businesses have higher administrative costs - up to 25 percent of the cost of premiums for some small business health plans, compared to 10 percent for large firms.

Health reform will help small businesses gain access to a level playing field in the health insurance marketplace in order to access affordable, reliable coverage that is not available to them today. By creating a pool and offering assistance, the House health insurance reform bill will lower small business costs and increase options. Alternatively, those who would rather contribute than offer will have a discrete, predictable contribution and the knowledge that their employees will have decent affordable health care.

And in order to assist small businesses in providing coverage, reform will also grant tax credits of up to 50 percent of the costs of providing health insurance to their employees for firms with 25 or fewer employees and average wages of less than \$40,000.

Opponents of reform would have you think reform would do anything but help small businesses. They claim to be champions of small business and they claim to want to improve health care for all Americans, but their actions to block the very efforts to give small businesses the help they need speak volumes.

Instead of spreading misinformation, we should be working towards solutions. That is what small business owners like Brian England of Maryland, who recently shared his personal story with me, expect. Brian has been the owner of British American Auto Care for 31 years. Starting his business with himself and a single technician, Brian's business has grown to employ 20 people, half of whom accept the health insurance coverage he offers now. Providing health

coverage costs his business roughly \$70,000 a year - its third biggest expense after wages and rent. His premium rates went up 10 percent this year - and would have gone up 30 percent if a 60-year-old employee had continued to be covered.

If we don't do something to reform what's broken with our health care system, Brian's situation and thousands of small business owners like him, will continue to see their rates go up. The Small Business Majority recently released a report that showed that without reform, small businesses will pay nearly \$2.4 trillion in health care costs over the next 10 years. If health insurance reform is enacted, the report found that small businesses could save as much as \$855 billion over 10 years, nearly 36 percent. This money can be reinvested in the business and jobs.

Phillip Cryan, an economist from the University of California-Berkley, estimates that the 8 percent employer responsibility requirement in the proposal in the House would result in a net gain of 55,365 jobs, a rise in productivity, and a slowing in the rate of health inflation.

As we continue to work on health reform that provides greater stability of health care coverage - both in cost and in access - for our citizens, it is important to recognize that small businesses are poised to gain substantially. For many businesses, there is a difficult choice to be made between the desire to give workers affordable health coverage and bottom line of what they can afford. Let's make the decision simple for small businesses by providing access to affordable quality care for them, their families and their employees.